

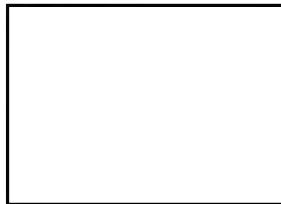
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NATIONAL INTELLIGENCE DAILY CABLE

Friday January 7, 1977

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National Intelligence Daily Cable for Friday January 7, 1977.

The NID Cable is for the purpose of informing senior US officials.

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## EGYPT: President Sadat's Interview

25X1 [ ] Egyptian officials, worried about Palestinian and other Arab reaction to President Sadat's *Washington Post* interview last week suggesting that any future Palestinian state be linked to Jordan, are making a strong bid to affirm Egypt's support for future Palestinian independence.

25X1 [ ] Newspapers in Cairo studiously ignored Sadat's remarks for several days and have downplayed them in coverage this week, taking the line that establishing a vaguely defined "formula for coordination" between Jordan and a future Palestinian state will ensure progress for the entire Arab cause.

25X1 [ ] By couching the issue of Jordanian-Palestinian linkage in these terms, the newspapers are backing down from Sadat's statement in the *Post* that some sort of confederal relationship "must be agreed upon."

25X1 [ ] The Egyptians also are taking a sudden new interest in the Palestinians since Sadat's interview. The leading daily *Al-Ahram* gave heavy coverage on Tuesday to a meeting between Sadat and a delegation of Palestinian residents of the Gaza Strip at which Sadat affirmed Egypt's determination to care for the needs of the territory "until an independent Palestinian state is formed."

25X1 [ ] Egypt's new concern for the Gaza Strip, which it has long neglected, undoubtedly is intended to reassure the Palestinians that Egypt itself and other Arab states would act as a buffer against any Jordanian moves to absorb a Palestinian state.

25X1 [ ] As a further affirmation of Egypt's support for the concept of Palestinian independence, the *Al-Ahram* article emphasized Egypt's insistence that the Palestine Liberation Organization be invited to the Geneva peace conference, preferably as a separate delegation.

25X1 [ ] The article made almost no mention of Jordan, referring repeatedly to the need for solidarity among Egypt, Syria, and the Palestinians and to Egyptian-Syrian support for the Palestinians.

25X1

[REDACTED] //In fact, the Egyptian position is somewhat ambivalent. Sadat would undoubtedly like to press the PLO to accept confederation with Jordan in order to make some accommodation to Israel's objection to an independent Palestinian state, and Fahmi acknowledged some concern that Sadat will pursue the issue.//

25X1

[REDACTED] //At the same time, however, Sadat is likely to be cautious about pressing the matter too far. His credibility among the Arabs was damaged too badly by the second Sinai agreement to allow him to press positions that are unpopular with his Arab allies, and he is not likely actively to pursue this one unless he can secure the cooperation of Syria.// [REDACTED]

25X1

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#### USSR - UN - MIDDLE EAST: Peacekeeping Costs

25X1

[REDACTED] The USSR announced on Tuesday that it was withholding at least \$4 million from its share of UN peacekeeping expenses for the Middle East. The Soviet move is a protest against the increased costs of peacekeeping caused by the last Egyptian-Israeli disengagement agreement which introduced US equipment and technicians into the peacekeeping area.

25X1

[REDACTED] Moscow is also signaling the new US administration that the USSR must be a part of any future round of Middle East negotiations.

25X1

[REDACTED] Immediately after the signing of the Sinai agreement in 1975, the Soviets announced that they were opposed to the introduction of an American presence into the UN emergency force buffer zone and to the increase of the size and cost of the force. They threatened to oppose any attempt to have the UN endorse the Sinai agreement, but ultimately did not block the accord. Soviet objections did, however, force UN Secretary General Waldheim to curtail plans for increased manpower for the emergency force on the Sinai.

25X1

[REDACTED] Moscow's latest move punctuates its efforts to revive the Geneva Conference and to ensure a role for the USSR in the next round of negotiations. The USSR's failure to pay all of its peacekeeping assessment may also presage a tougher Soviet position when the Security Council considers renewal of Middle East peacekeeping forces later this year. [REDACTED]

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LEBANON: Terrorist Incidents

25X1 [ ] A series of terrorist incidents this week targeted at Christian interests have disrupted Lebanon's gradual return to a semblance of order. A ban on movement between east and west Beirut was imposed yesterday, and Christian militiamen--not trusting the competence of the Arab security forces--have been patrolling their own neighborhoods.

25X1 [ ] The first and most serious incident was a large explosion in front of the Phalangist militia headquarters in east Beirut, which took place on Monday and killed over 50 people. It would almost certainly have touched off acts of Christian vengeance, except for the fact that the Christians have no idea of who is responsible. Subsequent incidents--shots fired from a car at passers-by in a Christian area of Beirut and two smaller explosions that killed no one in the Christian city of Byblos--have maintained the tension.

25X1 [ ] Christian leaders, including extremist Camille Shamun, have appealed for calm, and President Sarkis has directed military and police officials to discover who is responsible. Leftist and Palestinian leaders have so far refrained from public statements which might inflame the atmosphere.

25X1 [ ]

25X1 [ ] The tension and fear of reprisals may spur government efforts to round up weapons, although they will also increase the reluctance of the combatants to hand them over. The government has announced that the quadrapartite committee overseeing the cease-fire will meet today to make final decisions on how to enforce the collection of arms.

25X1 [ ] //Lebanon's southern border has remained relatively quiet, although Arab security forces have not yet dared to patrol the area for fear of inciting the Israelis to act.

25X1 [ ]

25X1

#### SUDAN-ETHIOPIA: Tensions Between Countries

25X1 [ ] The Sudanese government is mounting a major diplomatic and public relations campaign charging Ethiopia with aiding rebels preparing to attack the Sudan. In his National Day speech on January 1, President Numayri threatened to retaliate by closing the border with Ethiopia, and to utilize Ethiopians living in the Sudan to export unrest across the border.



25X1

[ ] The Sudan subsequently withdrew its ambassador to Ethiopia, and Numayri's foreign policy adviser Mansur Khalid met this week with the US, British, French, and Soviet ambassadors to repeat the accusation. The charge also has been highlighted in the Sudanese press.

25X1

[ ] Sudanese concern apparently was not triggered by a single event. Sources in the Sudanese government state that while Khartoum was aware that Ethiopia was implicated in last July's coup attempt, the government chose not to attack the Ethiopians publicly, hoping to gain assurances that the exiled Ansar tribesmen involved in the attempt would no longer be allowed to operate from bases in Ethiopia.

25X1

[ ] Recently, however, the Sudanese have become persuaded that cooperation between Ethiopia, Libya, and the Soviets against the Sudanese government has increased. The Sudanese cite Libyan efforts to supply more sophisticated weapons, obtained from the USSR, to Ethiopia for use by the Ansar tribesmen.

25X1

25X1

[ ] Local observers do not expect any rash military action. Mansur Khalid told the US ambassador that there was no reason for panic, and that the government was taking all precautions.

25X1

#### SOUTH AFRICA: High School Boycott

25X1

[ ] High school students in the Cape Town black townships continued to observe the six-month boycott when schools reopened on Wednesday after the summer recess. Many also stayed home in Soweto, the black township near Johannesburg, but a call by the Student Representative Council to go back to school apparently persuaded numerous high-schoolers to show up at schools there.

25X1 [ ] Although the school boycott in Cape Town is more successful, it apparently lacks the central organization that exists in Soweto. The Cape Town students evidently are holding out for government release of students in detention before returning to their studies. The potential for further violence in this area remains high.

25X1 [ ] The schools in the black townships are in special session to allow students to prepare for examinations in March. Black parents and newspapers in Soweto strongly support an end to the boycott so that the students can go ahead with their education.

25X1 [ ] If there are no provocative police actions, most students could be back in school by the end of the month. A new police chief has been assigned to Soweto, reportedly with orders to cool things down. He has promised to keep police off the campuses, unless a crime is committed.

25X1 [ ] There is growing evidence that the Student Representative Council is divided. The council engineered a successful strike in September in which violence was generally avoided--a key council policy heretofore--in contrast to the outbreaks in June and August. An attempt at a longer work stoppage in November fizzled, however, and the leadership may well be split over tactics.

25X1 [ ] //One result of the uneasy calm that has existed in the black townships over the past month or so has been a reduced flow of student refugees from South Africa. Massive police sweeps through Soweto and other townships beginning in August led to flight by hundreds of students--mostly from the high schools--to Botswana and Swaziland.

25X1

25X1

ISRAEL: Suicide of Housing Minister

25X1 [ ] The suicide of Israeli Housing Minister Abraham Ofer, a close adviser to Prime Minister Rabin and the target of a major corruption investigation, seems likely to strengthen Defense Minister Peres' chances of wresting the Labor Party nomination away from Rabin. Moreover, if other high officials become tainted, the Labor Party would lose further ground to the conservative Likud bloc and Yigael Yadin's Democratic Movement.

25X1 [ ] Ofer had recently been working on Rabin's behalf to reach an understanding with Peres that would have guaranteed Rabin the party's top spot and avoided a leadership fight. With Ofer's death, Rabin has lost a mainstay of support within the party and may become more vulnerable to attacks from Labor conservatives led by Peres.

25X1 [ ] Rabin is now likely to be criticized by party conservatives for his failure to dismiss Ofer or to suspend him until the conclusion of the investigation into his management of a government-operated housing company. Peres' supporters may argue that his calls for sweeping changes in party leadership and government reform put him in a better position to lead the party's election campaign.

25X1 [ ] Labor moderates sympathetic to Ofer, on the other hand, may fault Rabin for his unwillingness to back Ofer publicly. Dissatisfaction with Rabin's inaction could lead Laborites unsure of their choice for the party nomination, as well as some disgruntled moderates, to support Peres.

25X1

[ ] Since Rabin's resignation, Peres has not indicated whether he will seek the nomination. He has, however, continued to hold discussions with Labor leaders to gauge his prospects. Should he detect a drop in support for Rabin, he would throw his hat into the ring.

25X1

[ ] In a related matter, Rabin's original nominee to head the Bank of Israel, Asher Yadlin, is scheduled to go on trial next month on charges of fraud and bribery allegedly committed when he headed Israel's major health insurance company. The trial is likely to be a further embarrassment to Rabin and the party and could deepen dissatisfaction among some party leaders with Rabin's judgment.

25X1

[ ] Both Likud and the Democratic Movement stand to gain significantly from the revelations of corruption. A recent public opinion poll indicates a sharp erosion in support for the ruling Labor alignment and gains by Likud and Yadin's party. The polls also showed, however, that a large percentage of the electorate remain undecided. [ ]

25X1

#### CHINA-TANZANIA-RHODESIA: Variety of Issues

25X1

[ ] Tanzanian First Vice President Jumbe's visit to China last month enabled Peking to reaffirm its close relations with its major African ally. The visit also gave the Chinese a chance to sort out their relationship with Tanzania and the badly fractured Rhodesian liberation movement at a time when they face increasingly stiff competition from the USSR.

25X1

[ ] //For their part, the Tanzanians no doubt saw the visit as an occasion to sound out the new Chinese leadership on a variety of bilateral and southern African issues, to seek more aid, and to discuss military coordination.//

25X1

[ ]

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[REDACTED] Jumbe carried a personal message from Tanzanian President Nyerere asking that all future Chinese aid be funneled through the ALC. The Chinese probably attempted to please their guests by agreeing to this request in principle, while holding open the possibility of continued direct aid.

25X1

[REDACTED] The Chinese position on this question is weak, however, because all aid going to Tanzania must come under the scrutiny of the Tanzanian government. The Tanzanians probably hope that by emphasizing the role of the ALC, they can avoid a repetition of a situation like that in Angola--where competing powers furnished assistance directly to the factions they favored.

25X1

[REDACTED] The Chinese and Tanzanians appeared in agreement on the desirability of a negotiated settlement in Rhodesia. By prescribing the use of "revolutionary dual tactics," Vice Premier Li Hsien-nien implicitly endorsed the concept of the Geneva negotiations so long as military pressure is maintained on the Rhodesian government.

25X1

[REDACTED] Li publicly described the results of Jumbe's visit as "satisfactory," but it is unlikely that the Tanzanians got all they wanted in bilateral matters. There was no announcement of a new economic aid agreement.

25X1

[ ] For China, nevertheless, the relationship with Tanzania is the prime achievement of a decade of diplomatic effort in eastern and southern Africa. Good relations with Tanzania have been necessary for the shipment of Chinese military assistance to the southern African liberation movements.

25X1

[ ] Having experienced a fiasco in its insurgency support effort in Angola, Peking is eager to avoid another loss to the Soviets in Rhodesia. This goal, of itself, ensures continued Chinese interest in maintaining close ties with Tanzania.

25X1

[ ] Li's warning about Soviet intentions in southern Africa, however, points up Peking's dilemma. A protracted guerrilla war in Rhodesia--the type China can best supply--might enhance Peking's prestige and influence in southern Africa. But the present pattern of conventional cross-border raids might prompt Mozambique at some point to seek the kind of Soviet and Cuban involvement that could win the struggle quickly. The Chinese may hope that the Geneva negotiations prove fruitful before long. [ ]

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